

**ENHANCING THE GIVING PRACTICES OF FILIPINO DIASPORA
GROUPS THROUGH SOCIAL ACCOUNTABILITY MECHANISMS**

A SCOPING STUDY

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TABLE OF CONTENTS

I. Introduction.....	4
A. Objectives of the Study	5
B. Methodology and Limitations of the Study.....	5
II. Overview of Overseas Remittances and Their Role in Local Economic and Community Development.....	6
A. Latin American Experiences	6
B. African Experiences	8
III. Home Town Associations as Mechanisms and Vehicles for Diaspora Giving.....	9
IV. Remittances in the Philippine Context.....	10
A. Overview of Diaspora/Migrant Contributions to the Philippines	11
B. Assessment of donations, collective remittances from abroad for development	12
C. Examples of Filipino Home Town Associations.....	13
D. Other Stakeholders/Key Players in the Remittance and Development Links	16
1. Commission on Filipinos Overseas.....	16
a) Channeling of Resources	17
b) Program Monitoring and Evaluation	17
2. Department of Education with the Department of Labor and Employment and the Department of Foreign Affairs.....	17
3. Department of Foreign Affairs.....	18
4. Local Governments	18
E. Examples of Collaboration of Home Town Associations and Government Institutions.....	19
1. Concerns in Working with Government	20
F. Ayala Foundation-USA	21
V. Policy Directions and Programs to Integrate Social Accountability Mechanisms and Tools in Diaspora Giving.....	22
VI. Conclusions and Recommendations	23

References

Annexes

I. Introduction

Remittances to many developing countries are increasingly important, if not critical to the economies of these countries and this has become widely recognized by governments and international development organizations. Many poor families in developing countries rely on remittances as their major source of incomes to meet their basic consumption needs and act as insurance during times of emergencies and crises.

Over the past decade, international organizations such as the World Bank, the International Fund for Agricultural Development and the regional development banks particularly the Inter-American Development Bank, have appreciated that not only do remittance flows provide some form of economic stability to developing countries' economies, they have overtaken official development assistance (ODA) with remittances now constituting three times the ODA amounts. For many developing countries, remittances are also now bigger than foreign direct investments. Depending on the region and country, as much as 40-70 percent of remittances are estimated to go to rural areas, providing important incomes for rural households. The total size of remittance flows to developing countries amount to as much as US\$240 billion, with India (US\$27 billion), China (US\$25.7 billion), Mexico (\$25 billion), and the Philippines (US\$17 billion) being the four largest recipient countries in 2007.

There are many examples of migrants' or diaspora organizations² supporting philanthropic and development activities in their home countries. These initiatives, however, are often small-scale, piece-meal, and generally 'unstrategic' in terms of responding to community development needs and plans. Collective remittances support immediate concerns in the home countries, such as emergency response to disasters, health, education and small infrastructure. These have been the major areas that have mobilized contributions from individuals or diaspora organizations wanting to assist their families/communities back in their homelands.

In terms of development assistance to home countries, it is generally the so-called Home Town Associations, which consist of members who come from the same geographical areas, that have been active in raising resources as well as linking with groups back in their countries to help determine the types of projects to support. Latin American and African migrants in the United States and France have set up many Home Town Associations that, according to Manuel Orozco (2003), have supported community development projects in their home countries, generally without government support from either the migrant-sending or receiving countries. In some cases, donations by Home Town Associations can be larger than the municipal budgets for public works of hometowns of migrants in certain countries.

Some Latin American governments, such as Mexico or Colombia, offer matching grants to donations by diaspora or migrant groups or hometown associations for specific community projects as incentives to attract remittances for development. Mexico for example has a *Tres Por Uno* (3-for-1 program) with the local, state and federal governments each contributing US\$1 for every US\$1 remittance sent to a community for a particular development project, often decided upon by the Home Town Association.

² The terms *diaspora organizations* or *migrants' organization* are used interchangeably in this paper.

(Page and Plaza, 2005) These schemes and the experiences of Home Town Associations in these countries and in some African countries are described in another section of this report.

In the Philippines, diaspora philanthropy has likewise been widespread and growing. The literature on diaspora-giving has been increasing as more studies are undertaken. One major subject that has yet to be explored and studied however is what social accountability mechanisms exist to monitor the proper and efficient use of diaspora donations by recipient institutions, specifically local government units (LGUs). And, if there are such mechanisms, are these sufficient or could they be improved to the satisfaction of overseas Filipino donors and final beneficiaries, and in the end, better contribute to overall development objectives?

Social Accountability (SAc) is a process of constructive engagement between citizens and government. It refers to actions by citizen groups to hold government accountable for their conduct and performance in delivering services, improving people's welfare, and protecting peoples' rights. There is a strong assumption that social accountability mechanisms and tools would allow for improved monitoring of government actions and performance, possibly resulting in better delivery of basic services, improved welfare, and protection of people's rights. These could serve to encourage further giving among migrants and migrant groups, knowing that their contributions would be well-monitored and the chances increased that these donations would be maximized and put to best use. Trust and confidence are essential in convincing migrant donors to increase their contributions to the causes they believe in—particularly in helping to eliminate poverty and forge socio-economic development. Such social accountability mechanisms could play an important role in facilitating higher levels of trust.

A. Objectives of the Study

The specific objectives of this research are the following:

- To describe the links between remittances and local economic development in developing countries, particularly in the Philippines, with examples of experiences of donations by migrant Filipinos to local government units (LGUs);
- To study existing mechanisms to monitor and account for these donations; and,
- To provide policy directions to integrate social accountability mechanisms and tools in diaspora donations to LGUs, in order to maximize donations from overseas Filipinos to LGUs for local development.

B. Methodology and Limitations of the Study

This scoping study involves a literature review of documents related to remittances and development initiatives, particularly those that showed the links of organizations of Filipino migrants or diaspora organizations to their hometowns, through their donations to the local government for local economic or community development. The study includes the experiences from other countries.

The attempt to do a small survey of several Home Town Associations in the Netherlands that have active organizations involved in community development in a few areas in the Philippines aside from Filipino organizations in the USA, resulted in very few responses from respondents. Jon Silva (2006) in his research on Filipino diaspora organizations in Canada had a similar experience to the survey done where only a small percentage responded to mailed requests for information. For related research in the future, other ways to provide incentives for much larger numbers of Filipino organizations to respond should be used.³

II. Overview of Overseas Remittances and Their Role in Local Economic and Community Development

In many low and middle-income countries, remittance flows contribute significantly to these countries' gross domestic products. According to Orozco (2007, 2008), the effects of remittances on local economies are strongest in five areas: finance, education, health, housing and insurance. Large proportions of remittance flows go to consumption needs of migrants' families. Some percentage goes for entrepreneurial activities and a much smaller part for philanthropic considerations. While it is widely acknowledged that remittances have helped to smoothen income flows and helped to lower poverty levels in countries like the Philippines⁴, experts argue that remittances have had limited impact on decreasing poverty in home countries and as such cannot be viewed as the long-term solution to poverty. (Ionescu, 2006; Economist Intelligent Unit, 2008) Dina Ionescu, for one, points out that it is usually the poorest that need remittance incomes most but are unable to avail of these as they generally do not have the resources to migrate outside their countries.

A. Latin American Experiences

Among diasporas sending collective remittance flows to home countries, several Latin American countries appear to be best known and organized. Collective remittances or diaspora contributions to home countries are channeled through numerous types of organizations. These organizations include: hometown associations, professional groups, alumni associations, cultural groups, community area organizations and faith-based groups.

For Latin America, it is the Home Town Associations that are best known for focusing on linking with the diaspora for collective remittances/contributions. While exact numbers of Latin American Home Town Associations are not available, Orozco estimates there are around 3,000 Mexican Home Town Associations.. With 10 percent of the Mexican

³ For example, studies could be done with the help of Philippine Embassies or Labor Attaches/OWWA Welfare Officers in key cities where Filipino migrant or diaspora organizations exist and are actively engaged in linking with their hometowns. Focus group discussions among OF organization representatives could also be tried in a few key cities. These FGDs could provide qualitative responses to questions on how contributions find their way to LGUs; how these are then utilized for implementation of particular projects and what forms of monitoring are done by which agency or institution to ensure the proper implementation of projects. Other key questions could probe the factors that encourage or serve as incentives for Filipino diaspora organizations to channel more collective remittances to their hometowns through LGUs.

⁴ Pernia, E (2009) asserts that while remittances in the Philippines can be said to have lowered poverty levels by about 4 percent in 2006, removing as many as 2-3 million poor from the poverty line, this could have been much higher were it not for the disparities of remittance received by different income groups; the lowest quintiles getting the lowest share of remittances compared to the higher income groups.

population living in the United States (numbering some 12 million), only two percent remitting monies to Mexico are actually Home Town Association members. These Home Town Associations collectively raised about US\$20 million in 2005 to fund various development projects in Mexico, which was matched by US\$60 million by the government. The biggest single amount raised by a Home Town Association was US\$50,000.

The history of active government participation and partnership with Home Town Associations for community development projects was pioneered by the state of Zacatecas. This was expanded under the administration of then president Vicente Fox with his program on *Adopta Una Comunidad* (Adopt a Community) wherein remittances sent for community programs could avail of the *Tres Por Uno* (Three for One) matching with the local, state and federal governments each contributing US\$1 (for a total of US\$3) for every US\$1 remittance sent to a community for a development project. Projects were often decided upon by the Home Town Associations with 80 percent of these Home Town Associations approaching the local governments in Mexico to discuss projects, coordinate efforts and distribute resources. (Orozco, www.migrationinformation.org)

Orozco (2006) cites specific examples of Mexican municipalities availing of these collective remittances for local development projects. One such example is the town of Jerez, which approved as many as 35 basic infrastructural projects that were supported through remittances from abroad, with counterpart funding from the Jerez local government, the state and the federal governments. Subsequently, Western Union has also come into the scene adding another US\$1 to the *Tres Por Uno* scheme, making it *4 Por Uno*.

Nonetheless, mention has also been made of how some municipalities with local governments are willing and able to participate in the scheme but are unable to do so as they do not have the requisite counterpart funds. They are thus unable to leverage the remittances from abroad that would otherwise be able to mobilize the equivalent of up to 75 or 80 percent of a local project.

In Central America, Salvadoran Home Town Associations are among the better known groups. These Home Town Associations are estimated to be 200 organizations, many formed in the early 1990s. The COPRECA (*El Comité ProPaz y Reconstrucción de Cacaopera en Los Angeles*) was formed in 1992 and is based in Los Angeles, California. It has worked with the Salvadoran national government as well as local officials to reforest denuded areas and construct a water tank in the town.

Projects are generally selected after consultation among board members of Home Town Associations. Sometimes, Home Town Associations are approached by elected local government, organizations or private individuals with requests for specific project support. Groups consult with the townspeople regarding their needs especially if they do not have actual staff on the ground linked to their Home Town Associations. With numerous community requests, this could prove overwhelming to the Home Town Associations so that boards need to prioritize which projects to support.

Compared to other governments at both central and local levels, the government of El Salvador has been able to develop a more institutionalized response to international labor migration (Eekhoff, 2004). In 2000, the government created a General Directorate under

the Ministry of Foreign Affairs to focus on the Salvadoran diaspora. This government agency acts as the official government link with the diaspora. It has three program areas: economic ties and integration, community and local development and cultural and educational ties. It publishes an online newsletter, the *Comunidad en Accion*, which provides a reporting of the projects that the diaspora supports in partnership with the private sector or government.

The Social Investment and Local Development Fund (FISDL) serves as the Salvadoran government institution that partners with Home Town Associations to develop projects in rural areas. Salvadoran Home Town Associations have tended to collaborate more with the FISDL and local government officials as well as church groups for implementation of projects. There is a matching of funds by government similar to the Mexican scheme, through the *Unidos por la Solidaridad*. In 2004, Home Town Associations supported 40 projects with a total contribution of US\$2.1 million. The average contribution, either in cash or in kind, constituted an average of 16 percent of the total project. Projects were mostly under health and education. The kinds of health projects funded were: clinics, medicines and ambulances. On education, funding has gone to building libraries, water supplies, school supplies, and repair of school buildings.

The process of approval by the FISDL starts with the Home Town Association submitting its application, which describes the project that it seeks to support. The FISDL then reviews the proposal to determine its feasibility and relevance to the community. The requirements of the FISDL in approving projects are:

- The project should conform to the municipal government plan on civic participation;
- Home Town Association must match at least 10 percent of the total project costs;
- The municipal government must be solvent;
- Only social infrastructure projects can be funded; and,
- Minimum cost of project is \$30,000 as of 2004.

There are an estimated 160 Guatemalan organizations in the United States and these are not all Home Town Associations. Each organization raises an average of about \$2,000-8,000 a year. Guatemalan Home Town Associations cover activities both in the USA and in Guatemala, with support in the home country focused on health, education and disaster relief with some promotion of culture between the two countries. Home Town Associations interviewed in Orozco's study stated a heavy reliance on local community groups in identifying projects and activities to be supported. Thus there was close contact with local groups, churches and local government units to assess community needs with project selection generally made by the board of directors after evaluation of need and feasibility.

B. African Experiences

Comoros Islands and Eritrea are the countries most dependent on remittances in the African region, and Comoros has the highest rate of remittance per capita. Most of the

Comoran diaspora live and work in France and it is estimated that there are over 500 organizations that have been formed in France, although many are no longer functioning. The most common among these organizations are the hometown associations (*association de village*), which are often very small, informal and even temporary (Da Cruz et al, 2004). These Home Town Associations serve to closely link communities in Comoros with those in France, allowing the diaspora to know what is happening in the villages and actually affording them participation in village affairs.

The Home Town Associations thus take on the role and function for requesting, collecting and channeling financial support for the villages concerns. Through such fund-raising activities as the *majlis*, which is a religious Muslim gathering, a Home Town Association is able to raise as much as €10,000 for community projects. A World Bank study undertaken by Da Cruz et al also cites that the Home Town Associations have very limited skills and know-how on how to design and implement the projects that are requested back in the Islands.

Despite very strong links and ties between Home Town Associations and their communities in Comoros, the government connection with the diaspora remains very weak. The Ministry of Foreign Affairs while tasked with building and ensuring dialogue with the diaspora, has been unable to undertake this function effectively, given its limited resources and lack of concrete mechanisms for furthering this.

In the former Portuguese colony of Guinea-Bissau in West Africa, Home Town Associations help Guinea-Bissauan immigrants overcome challenges in supporting their families and villages in their home country. In the Guinea-Bissauan village of Pelundo, a study shows the potential of Home Town Associations to facilitate village development through mutual benefit services in Portugal. Crucial here is developing institutional links with other immigrant associations and with the state and civil society in Portugal and Guinea-Bissau. (Kerlin, 2000)

The Sankofa Foundation is a Ghanaian diaspora organization in the Netherlands, which is implementing a long-term, income-generation project involving rural communities in Ghana. The Sankofa Family Poultry Project aims to assist rural women to gain economic independence by mobilizing investments from Ghanaian migrants in the Netherlands. The diaspora organization provides start-up materials and technical training to enable the women in Ghana to raise poultry and operate their own businesses. (Orozco and Rouse, 2007)

III. Home Town Associations as Mechanisms and Vehicles for Diaspora Giving

As hometown associations or Home Town Associations generally serve as the conduits of development assistance to home countries, it is worthwhile to gain a better understanding of the nature, characteristics and roles of Home Town Associations.

Manuel Orozco, one of the foremost experts on the links of remittances and development particularly in Latin America has written extensively on the diasporas and their Home Town Associations. His writings have given insights and understandings on the make-up and workings of Home Town Associations in the USA, which have their origins in Central America, in particular, Guatemala, Honduras, El Salvador, Guyana, Jamaica, Mexico.

Among the general and key characteristics of these Home Town Associations and their membership that he has identified are:

1. As philanthropic organizations, their activities tend to be directed toward charity;
2. Structures are generally varied and tend to be informal with sporadic relations or links with their home governments or with their hometowns; and,
3. Members and leaders are mostly volunteers with minimal experience in development work.

In a survey of 12 Latin American and Caribbean diaspora organizations, Orozco found that only an average of eight percent of remittance senders belong to a Home Town Association. Caribbeans had a higher number who belonged to Home Town Associations, such as Guyanan Home Town Associations with 29 percent, Jamaica 16 percent compared to only four percent for El Salvador and Mexico, and three percent for Guatemala. Salvadoran Home Town Associations have well-defined structures with a board of directors that work with parallel boards in their communities in El Salvador. These parallel boards often send the ideas for projects to be supported and provide oversight for the funds and implementation.

A desire to respond to the immediate needs of their communities including disaster relief is what propels most Home Town Associations to mobilize resources. However, Home Town Associations from Latin America face major constraints including limited time and skills because of their voluntary nature and dominance of working-class members.

In Orozco's survey of Home Town Associations in Southeast Asia, he finds that migrant communities have varying levels of membership in Home Town Associations. He cites the example of Malaysians. More than 25 percent of Malaysians who live in Japan contribute to an Home Town Association; in Singapore only four percent do so. Among African migrants, 16 percent of Nigerians in the USA take part in an Home Town Association, compared to 15 percent of Ghanaians; in Europe, however, the number of Ghanaians belonging to an Home Town Association would be relatively higher.

IV. Remittances in the Philippine Context

In December 2008, the total number of Filipinos living and working abroad was 8.187 million; 3.9 million were permanent immigrants while 3.6 million were temporary workers and the rest were undocumented workers. North America accounted for 3.5 million Filipinos, of which 2.8 million were residing in the USA.

Remittances sent by Filipinos all over the world in the past several years have contributed to almost 10 percent of the Philippines' annual gross domestic product (GDP). In 2005, total remittances amounted to US\$12 billion; by 2008, this amount had increased to US\$15.9 billion and in 2009, it reached US\$17 billion. The top-sending countries in terms of remittances are in the industrial countries in North America, Australia and Europe, with Filipinos in the USA accounting for the highest volumes of remittances.

A significant percentage of these remittances go for consumption and living expenses of family members back in the Philippines together with the education of children, for health

and other basic needs. Because of remittances, economist Ernesto Pernia (2009) posits that as many as 2-3 million poor Filipinos might have gotten out of the poverty line. He argues however that this number could have been larger were it not for the fact that generally, it is not the poorest families who can afford to migrate.

Other economists caution on countries' over-reliance on remittances to provide economic stability and development. Again, Pernia posits that remittances have managed to keep many economies afloat. However, these remittances have also been responsible for allowing the Philippine government to delay implementation of needed reforms in the country as the economy has been buoyed by remittances, despite economic crises that have come up in the past few decades. He along with other economists such as Alvin Ang, (2008) argue that it is also not possible for the government to rely on remittances as the major instrument for reducing poverty in the country or for carrying out long term economic development. A culture of dependence on remittances by migrant families can also result wherein the negative consequences of remittances can in fact outweigh its positive advantages. Furthermore, the high social costs of migration, e.g., disintegration and fragmentation of families, juvenile delinquencies of children left behind have not been fully factored in the migration equation.

A. Overview of Diaspora/Migrant Contributions to the Philippines

Migrant philanthropy or diaspora giving refers to donations by migrants living abroad to support development initiatives back in the home country. (Institute for Migration and Development Issues Policy Paper – 2007-3) Diaspora giving, aside from individual remittances for families, has also been increasing, particularly when emergencies occur such as natural disasters as flooding, mudslides, earthquakes, and volcanic eruptions. It has been noted that Filipinos possess a strong philanthropic spirit—“a desire to give back and help the Philippines and that in the Filipino culture is a great compassion for the poor, underprivileged relatives and town mates, and a concrete expression of their faith and values of sharing and caring”. (Garchitorena/Ayala Foundation, 2007)

Through contributions from individuals or various diaspora or migrants' organizations, remittances are being sent to the Philippines to provide support for educational, health, emergencies and small infrastructural needs of communities particularly hometowns.

With 8.2 million Filipinos currently living abroad in 193 countries, there are multiple examples of generous giving by overseas Filipinos both in supporting their families back home and for other various causes.

The evidence of widespread giving is confirmed by statistics compiled by the Bangko Sentral ng Pilipinas or Philippine Central Bank. In 2003, cash donations from abroad excluding those not channeled through banks or those given in cash and in-kind, amounted to US\$218 million. The Commission on Filipinos Overseas, the government agency tasked with mobilizing donations from overseas Filipinos, reports that over Php1.3 billion have come from Filipinos abroad over a 13-year period.

Even while most of these donations would be in small volumes, the totals can be significant, certainly in providing the assistance that would not readily be given by the local or national governments or in reaching remote places that are often unreached or forgotten.

As in the case of other diaspora or migrants' organizations, Filipinos overseas tend to give for socio-cultural types of projects or disaster relief. These often include: building or improving chapels or churches, educational scholarships, recreation centers (basketball courts, etc.), beautification projects, etc. A large equivalent amount is also sent in-kind in *balikbayan* (literally 'return home') boxes, which cannot be discounted. Further, so called non-material giving such as knowledge, attitudes, values can be equally important. For purposes however of this scoping study, the focus is given to philanthropic donations that involve financial contributions for government projects especially at the local levels.

B. Assessment of donations, collective remittances from abroad for development

Donations from abroad come in large part through the interventions of family members or other relatives or friends from the hometown of the migrant worker who might have communicated the need for a particular project. Common requests include one-time relief donations for victims of calamities—both natural and man-made. Researcher Shawn Powers (2006) notes that many donations are meant to meet immediate needs and are one-off contributions.

Another frequent contribution coming from overseas Filipinos is medical or surgical missions staffed by medical doctors and other health personnel primarily from the USA who come to the Philippines to offer free medical expertise to indigent Filipinos. An assessment of such missions done in 2002 by Nañagas cites the many positive effects on serving the medical needs of certain populations in areas not often regularly serviced by local health professionals. He however also points to some negative effects such as weak targeting of patients, the politicalization of the missions and the dependence of the local government units on these missions to provide for health services rather than actually providing for the regular health services to the communities as would otherwise be required. (Opiniano, 2007)

There is a perception that while such efforts are worthwhile and do address needs and concerns of poor Filipinos, these do not really create much development impact even at the local level (Opiniano, 2007; Convergence 2008), although Ghosh (2006) points out that many contributions do lead to building new community assets and services. Jon Silva (2006) in his study of Filipino diaspora groups in Canada views their development contributions as mostly piecemeal.

Jeremiah Opiniano, a pioneer on studies on the Filipino diaspora philanthropy, is among the most-often cited reference on the subject. He, among others cites that overseas Filipino donors generally donate in groups such as through professional organizations, alumni associations, Filipino-run charities, non-profits, community area-based groups and the Home Town Associations. The Department of Labor and Employment estimates that there are about 12,000 associations of Filipinos in countries outside the Philippines. The Commission on Filipinos Overseas counts 4,000 Filipino organizations in its roster.

Filipino Home Town Associations in the industrial countries in North America, Europe, Australia and New Zealand account for over 90 percent of philanthropic contributions to the Philippines. This can be attributed to the fact that Filipinos in these countries are mostly working as professionals who have legal status and earn more than Filipinos in other countries employed mostly as contract workers such as in Japan, Hong Kong and

Singapore or other countries in Europe where Filipinos work as domestic helpers or as caregivers. Orozco however notes that while Filipinos in these countries might be earning smaller incomes and thus tend to donate smaller amounts, they also generally join Home Town Associations as do the Filipinos in the industrial countries and are equally active in these Associations.

Filipino organizations in the United States are the most organized and established compared with other parts of the world. Garchitorena and the Ayala Foundation USA estimate over 3,000 Filipino Home Town Associations in the USA. Alayon's study of Filipino Home Town Associations in New Zealand mentions the existence of about 40 organizations of Filipinos in the country; while in Canada, Silva cites close to 600 Filipino organizations.

The Home Town Associations are not considered at the moment as key players in local development in the Philippines, in view of the small volume of funds and support sent for community development projects and initiatives. They do however serve as the primary conduits of support for various community-type development projects.

C. Examples of Filipino Home Town Associations

The following short descriptions of diaspora hometown associations in different countries particularly in the USA and Europe are examples of the goals of these Home Town Associations and the kinds of programs and activities they support. Many of these Home Town Associations or other diaspora groups have established affiliate groups or links (both informal or formal) in their hometowns to assist in possibly identifying potential programs or projects and monitoring implementation.

The **Association of Bansaleños Worldwide**, formed in 2006, is a virtual community composed of current and former residents of Bansalan, Davao del Sur, who now live abroad and in other parts of the Philippines. The mission of Bansaleños is to advance the quality of life of the people in the town. (Interview, Rispens-Noel, 2010)

Bansaleños started in cyberspace with a simple website and the flow of emails to identify and connect the widespread network of Bansaleños worldwide allowing them to find each other for the first time. The strategies of Bansaleños and its current activities include the improvement of the town's public facilities among others and the support of school children. It has implemented the repainting of the facade of a gym and its main project is the Give Back: Literacy Project Support for the education of underprivileged children.

Bagong Kultura Pinoy, Inc. was founded in the US in 1998 with the mission to develop a reading culture among poor Filipino children and a new set of beliefs and way of thinking that could be fostered through reading. Bagong Kultura supports some 90 mini-libraries throughout the Philippines, which are encouraged to find their own path. The bottom line is to set up in an underserved community with every child encouraged to regularly take home books and attend the weekly read-aloud sessions. Several children's libraries were established in elementary schools and daycare centers; some were set up in rooms within church buildings; still others were housed in underused space in barangay centers. The libraries that work best are those managed by nonprofit organizations that Bagong Kultura has partnered with over the years in various provinces. A network of book donors has also been established in Massachusetts.

The **Bisdak Network** (1992) in the Netherlands is a regional network working for socialization rights and cultural identity. It focuses on hometown association building.

Butuan City Charities Foundation in Southern California works in collaboration with its partner, the Ivory Charities Foundation, in improving conditions in Butuan City. It raises and channels funds to Ivory Charities Foundation for medical services and equipment, microfinance services for poor women in the city, water systems, youth development programs, etc. Over Php40 million have been donated in cash and in kind. The organization aims to encourage migrants from Butuan to remain connected with issues in their hometown.

Damayang Pilipino sa Netherlands is a community building association composed of Filipinos and Dutch formed in 1986, which focuses on philanthropy and social enterprises. Currently, Damayan has developed and started a project Maria Goes To Town that is being implemented in close cooperation with the local government of Magsaysay, Misamis Oriental in Mindanao. The project also involves active collaboration with community-based organizations, and is aimed at establishing a market place that can serve several neighboring villages. At the same time, Damayan has given scholarships to a number of school children, again in cooperation with the local governments, people's organizations and public school officials in North Cotabato and Davao.

Habagat is a foundation also in the Netherlands that was formed in 1992 to build and strengthen migrants' role in development through empowerment of diaspora organizations and marginal sectors (seafarers, domestic workers, seniors).

Feed the Hungry, Inc. is one of the most established and active Filipino charity organizations in the US. Established in 1993, the organization has supported projects from feeding to construction of classrooms and houses. In the period 1993-2005, its total assistance for projects in the Philippines amounted to over Php53.7 million (US\$947,000) benefiting as many as 947,000 individuals in 75 out of 80 provinces of the country. In 2004, after massive flooding and mudslides in the province of Aurora, it helped initiate a long-term development project in Baler, the capital of Aurora. It undertook the Baler-Sabutan Project which aimed to improve the livelihood opportunities of women in the town by providing a self-sustaining production center managed by women to produce export-quality hats, fans, etc. made of *sabutan* grass. The organization, with funding from its other partners, provided Php810,000 for the construction of the center, while the provincial government gave as its counterpart Php400,000 for labor costs. The municipal engineer designed the center; the Department of Social Welfare and Development organized the women into a cooperative and arranged for their various training needs.

Gubatnons of Northern California has 75 members who come from the town of Gubat in Sorsogon province in the Bicol region. Its programs and activities center on education, health and economic concerns. It has donated four classrooms under the "Classroom, Galing sa Mamamayang Pilipino Abroad" program to the Gubat National High School, computer laboratories, classroom equipment, books, etc. Other in-kind contributions were made to the hospital such as medical equipment, which unfortunately did not all end up being utilized for lack of know-how on their use.

The organization helped to facilitate an economic mini-summit in Gubat in 2002 that has been its most significant contribution to the town. The summit brought together experts from various government agencies in collaboration with the municipal government and the Ayala Foundation USA to discuss the sectors of coconut, *abaca*, *pili* nuts and handicrafts production and to explore ways to better promote these products. Some success has been achieved vis-à-vis the rehabilitation of the abaca industry and the production of virgin coconut oil, thus improving the economic situation of these sectors.

Hope Foundation International, based in Rhode Island, USA, has been sending medical missions to treat Aetas in Zambales province since 1994 and works with its local affiliate. For each mission, some 3,000-5,000 Aetas with serious illnesses and other health needs are treated. Once in a while, the medical teams also give educational sessions on health care, family planning, etc. Otherwise, much of its initiatives have not really addressed long-term development needs. In 1996, a medical center was built in the hope that it could be sustained through local efforts. This has not materialized however. The Foundation's projects have been recognized by the Commission of Filipinos Overseas with an award in 1998.

Lubang-Looc International was organized in 1987 by Alfredo Tesalona, who now serves as Vice Mayor of the Municipality of Lubang, Occidental Mindoro, in New York, as well as Northern California, Southern California, Toronto and Alberta. He was previously president of Mindorenos U.S.A., Inc. an association of immigrants from Occidental Mindoro and Oriental Mindoro in the tri-state area of New York, New Jersey and Connecticut. There was a realization that the limited resources of the organization were being spread relatively thinly because the target groups were in two provinces, which had many towns, *sitios*, and islands.

Tesalona focused his attention on assisting Lubang Island in 1986, also after realizing that the varying concerns and conflicting interests at the provincial and town levels became barriers to project planning and implementation.

Pinokynos Welfare (Singapore) was formed under the Filipino Association of Singapore. The group is primarily targeted toward assisting children, particularly those in the rural areas, as well as church groups.

Rizal-MacArthur Memorial Foundation is a four-decades old organization that sends medical equipment to rural public hospitals in the country.

Romblon Discussion List-Cultural, Livelihood and Educational Assistance for Romblon was founded in the US in 1998 with about 300 members globally subscribed in its list with about 10 percent regularly contributing to support its various projects in Romblon province. It has its partner organization in the Philippines to assist in implementing its projects, which have included medical missions and computer stations. The more significant long-term projects are on environmental and cultural preservation through reforestation projects, coral reef protection and eco-tourism and on the cultural side, theater and writing workshops and a Romblon Studies Center for Culture and the Arts in Romblon State College.

Save-a-Tahanan, Inc. is a US-based organization that partners with its sister organization, Save-a-Tahanan Movement Philippines, to implement grassroots community projects in five provinces.

Seven Lakes International is a federation of organizations of people originally from San Pablo City and who now reside in North America. According to a study conducted by Añonuevo and Añonuevo (2008), San Pablo City receives an average of \$50,000 annually from the federation. The money funds various community programs including feeding activities, scholarships and the construction of public facilities such as village halls, recreational facilities and libraries.

D. Other Stakeholders/Key Players in the Remittance and Development Links

Aside from the Home Town Associations abroad and their partner or affiliate organizations in the hometowns, there are other key players whose roles are likewise important to understand. Of the national government agencies, the Commission on Filipinos Overseas is the most important agency that serves as a conduit to the Filipino diaspora. Other agencies are the Department of Foreign Affairs, the Department of Education, and the Department of Labor and Employment. Of course, another critical stakeholder for Home Town Associations would be the local governments and the LGUs that serve as the local partners in project identification as well as project implementation.

Civil society organizations, foremost among them the Ayala Foundation, USA (AF-USA), are in many instances also important stakeholders. For this study, only AF-USA is briefly described as the focus is primarily on government agencies. AF-USA is included to show how it is helping Filipino American organizations link with Filipino CSOs or government for philanthropic purposes.

It is widely accepted that the government is an important stakeholder in migrant philanthropy despite criticisms that it overly relies on international migration and remittances to provide for the economic growth and development that the country needs. At the local level, migrant philanthropy has helped to bring about provision of basic services that are not made available and thus local governments likewise play an important role in migrant philanthropy. Following are government institutions working actively with diaspora organizations:

1. Commission on Filipinos Overseas

The Commission on Filipinos Overseas is the primary government agency established to link with the Filipino diaspora, aside from the Department of Foreign Affairs through its embassies in the different countries. The Commission was formerly under the DFA but is now under the Office of the President. One of Commission's primary aims is to encourage Filipinos overseas to help in fostering Philippine development.

It set up the *Lingkod sa Kapwa Pilipino (LinKaPil)* or Link for Philippine Development Program in 1989. The program enables Filipinos abroad to channel their support for projects in livelihood/micro-enterprise development, education, health and welfare, small-scale infrastructure, and technology and skills transfer. It actively establishes linkages with Filipino associations and other possible donors overseas, as well as local partners in the Philippines, to encourage investments and partnerships for development.

In 2006, the Commission received donations from over 1,500 individuals and organizational donors abroad. In 2002, most of the donors were from the USA and most of their contributions (80 percent) were targeted for Luzon. Thirteen percent went to the Visayas and seven percent to Mindanao. (Commission on Filipinos Overseas website: www.cfo.gov.ph)

a) Channeling of Resources

The channeling resources from overseas donors to the beneficiaries can be done in two ways:

- There is Direct Transfer which allows the donors to send or transfer resources directly to a specified beneficiary or a local counterpart who will provide assistance for project implementation. The Commission on Filipinos Overseas through its LinKaPil program does monitoring and evaluation, including reporting and sending feedback to the donor.
- Indirect Transfer allows the donor to send the resources to the beneficiary through the Commission on Filipinos Overseas which then transfers these to the specified beneficiary. Again, the Commission undertakes monitoring of project implementation and reports on resource utilization, project implementation and evaluation.

To help ensure effective use of donated resources, the Commission coordinates with local counterparts and experts from local governments and NGOs to assist in managing the implementation of the projects as well as for monitoring and evaluation.

For material donations, the Commission informs the donors of the documentation requirements and assists in ensuring that the donation is channeled to the specified beneficiaries. Donors are advised that they need to coordinate with the Commission at least a month prior to shipping the goods to allow for smooth processing of the entry and release of the donations, etc.

b) Program Monitoring and Evaluation

As feedback is important for overseas donors, the LinKaPil program has a feedback system to allow donors to know the status of their projects. Beneficiaries are required to submit status reports on activities undertaken and the Commission on Filipinos Overseas validates these reports with on-the-spot monitoring and evaluation. The Commission also prepares and sends these progress and/or evaluation reports to the donors.

2. Department of Education with the Department of Labor and Employment and the Department of Foreign Affairs

The Department of Labor and Employment in collaboration with the Department of Education and the Department of Foreign Affairs launched in 2003, the Classroom, Galing sa Mamamayang Pilipino Abroad—Donate a Classroom Project—to encourage Filipinos overseas to contribute classrooms to respond to the huge shortage of classrooms in the country. The project also involves collaboration with the Filipino Chinese Chamber of

Commerce and Industry, which is responsible for actual classroom construction.

As of August 2007, over 400 classrooms have been donated by different organizations of Filipinos abroad. To donate a 49 m² standard classroom requires US\$4,000. But because this project is animated by *bayanihan* or community self-help, an association of local private contactors and suppliers have agreed to build classrooms at cost. (www.cgma.dole.gov.ph)

3. Department of Foreign Affairs

The Department of Foreign Affairs through its embassies and consulates serves as a natural and obvious link to diaspora organizations. Migrants and their organizations recognize the assistance embassy officials play in fostering and encouraging the formation of their organizations and the roles they can play in both serving the needs of migrants in the host countries and the needs in the home country. However, in some countries relationships between embassies and Filipino migrants have not been positive due to perceived arrogance on the part of some officials and a lack of regular dialogue with diaspora groups beyond official functions and events.

Currently, the Department of Foreign Affairs and the Department of Labor and Employment (through its Philippine Overseas Labor Office-Overseas Workers Welfare Administration) are the main channels for linking with the diaspora organizations. Embassy officials and attached agencies are the “face” of the government and thus need to present themselves in a way that can attract dialogue, and build trust and confidence. The tendency for many overseas Filipinos to view government with hesitation and doubt, if not actual mistrust, results largely from a perception that embassy officials conduct themselves with arrogance and an unwillingness to be of service.

4. Local Governments

Local governments serve to benefit greatly from diaspora contributions for small, community development projects. It is not readily known how many local governments at municipal or provincial levels have been able to tap and mobilize overseas Filipinos’ donations although there are several known examples of local government units able to do so.

Filipino Home Town Associations mentioned in a previous section and other Filipino diaspora organizations have tended to channel their contributions through church groups or church-related organizations, foremost among which is the Gawad Kalinga’s Answer for the Cry of the Poor Program that aims to build low-cost housing for the poor.

Nevertheless, Home Town Associations do partner with local government in their hometowns both formally and informally to identify potential projects to support, and to channel their donations to the local government concerned. Experiences in this regard have not been studied in depth and much remains to be done to better understand the dynamics between local government units with the diaspora. More information seems to be available in regard to medical missions to hometowns that are initiated with some form of government support. Even in these, in many cases, the collaboration might mainly be with a local, affiliate organization of the diaspora organization.

E. Examples of Collaboration of Home Town Associations and Government Institutions

A better view and understanding of the links between diaspora organizations and government institutions at national and local levels and how these play out at present is helpful to exploring and improving ways to strengthen the links and collaboration between diaspora organizations and the government.

It is also instructive to review the Local Government Code of 1991, which devolved and decentralized government services to local government units giving them administrative as well as corporate powers. The Code allows LGUs more leeway for initiating programs and activities to stimulate activities for local development.

The profiles of Home Town Associations and other Filipino migrants or diaspora organizations have shown that there are many Associations linking with both national and local government institutions for their diaspora contributions.

Among the more promising of these partnerships, previous mention has been made of an ongoing project of a Home Town Association based in the Netherlands, the Damayan Pilipino sa Nederland which initiated the Maria Goes to Town Project. It is implementing this with the active collaboration of local government officials. The Maria Goes to Town Project is a diaspora social remittance project that aims to empower rural women by stimulating entrepreneurship, construction of an economic facility, i.e., a women's market, production technology, microfinance and marketing support, and mobilizing diaspora investments. The project is seen as an exercise for Social Enterprise Mobilization in a 5th class municipality in Misamis Oriental Province targeting a women's federation with 200 women members.

Monies were raised, first through funds won in a project proposal writing contest worth US\$15,000. This amount was tripled to US\$45,000 through counterpart funds given by Dutch donors, which was then doubled to US\$90,000 through matching funds from the local government and other local partners. One of its local partners is assisting Damayan in providing backstopping to the target beneficiaries and in monitoring the use of the resources. (Fernandez, 2008)

The matching arrangement similar to Mexico's *Tres Por Uno* is a goal that is being promoted by CSOs and migrant Home Town Associations to leverage their contributions and create a much wider outreach than what their contributions would ordinarily provide. At a conference in 2007 in the Netherlands, the Misamis Oriental Governor Oscar Moreno committed to a 1:1 matching arrangement for funding support for development projects in his province coming from overseas Filipino organizations. He likewise pledged to promote the scheme of matching contribution and championing such development partnerships among his fellow governors particularly in the region of Mindanao. As many as 15 governors pledged to provide matching funds to diaspora contributions for local, community development at the Second Global Forum on Migration and Development held in Manila in October 2008. (Fernandez, 2008)

A network of 27 Philippine civil society organizations, consisting of NGOs, people's organizations, social enterprises, microfinance institutions, and cooperatives, called the Philippine Consortium on Migration and Development or PHILCOMDEV was formed in 2007. PHILCOMDEV embarked on a project in 2008 to link CSO initiatives with

migrant Home Town Associations and local government. This Convergence Project expects to strengthen information flows and capacities between LGUs and CSOs with Home Town Associations to better mobilize and utilize diaspora contributions for local development, including encouraging local governments to provide matching or counterpart amounts to the diaspora contributions. (Convergence, 2008)

In its launch in October 2008, several local government executives participated, among them:

- Ed “Among” Panlilio, Governor of Pampanga
- Zenaida Padiernos, Mayor of Dingalan, Aurora
- Nilo M. Villanueva, Mayor of Mabini, Batangas
- Edwin C. Reyes, Mayor of Bansalan, Davao del Sur
- Leoncio Evasco, Mayor of Maribojoc, Bohol

Local government units from the following areas were also represented: Batangas, Ifugao, and Misamis Oriental, the cities of Naga and Muñoz (Nueva Ecija), and the municipalities of Makilala (North Cotabato) and Gen. Nakar (Quezon). (www.philcomdev.org)

In Maribojoc town in Bohol province, Mayor Leoncio Evasco, Jr. and the overseas workers family circles that his municipal government has organized have been trying to imbibe the community spirit of *bayanihan* or *alayon* of its overseas migrant worker population to help transform the town into an economic paradise in the future.

The annual remittances received by the town are estimated to be between P52 to 84 million annually. These have certainly helped to transform the status of the town from a fifth-class to a fourth-class municipality. (Opiniano, 2008) The province of Bohol as a whole provides a model for initiating a pro-active program to attract overseas migrant workers from Bohol to invest in the province by setting up an investment center and enacting a local investment code to assist investors in identifying, organizing and matching their resources with local partners.

The agricultural town of Pozorrubio in Pangasinan province is particularly cited by a study prepared by the Economist Intelligence Unit for its example of collective remittance. The study highlights the case of Pozorrubio with about 10 percent of its population working abroad, for having a local government able to encourage its overseas residents to make collective remittances to support local public works projects.

The local government officials of the town have been visiting Pozorrubians in various cities of the USA, Hong Kong and elsewhere with large numbers of locals encouraging them to form Home Town Associations and identify projects in their hometown that they could support financially. They have contributed to the construction of a library and a park, donated equipment for the community hospital, and so on. (Economist Intelligence Unit, 2008) The Economist Intelligence Unit study says “this level of development is almost never seen in rural Philippines, even in the larger municipalities.

1. Concerns in Working with Government

A common problem is the lack of trust of government (and even NGOs) by Filipino

diaspora organizations. (Garchitorena, 2008) Church groups are often viewed with more trust by these organizations and it is no surprise that more remittances are channeled through church groups than for any other groups. The poor image of government institutions at national and local levels as generally corrupt and inept accounts for this distrust and is carried by Filipino organizations abroad.

Efforts have been made to change and improve this image, starting with Philippine embassies in different countries that are working closely with diaspora organizations, especially in the USA. The Commission on Filipinos Overseas has also been in the forefront in encouraging diaspora organizations to donate back to the Philippines. It presents itself as the agency that provides the mechanism for accountability for goods and funds remitted to pursue particular projects and activities in the Philippines. As mentioned previously, the Commission on Filipinos Overseas commits to providing monitoring and evaluation services for funds or goods received for these projects or activities, through regular reporting of implementation etc. The Commission's LINKAPIL-Lingkod sa Kapwa Pilipino Program bridges for the diaspora organization and the LGU of the hometown that will be the recipient of the assistance, and attempts to be transparent in all the transactions between the LGU and the diaspora organization.

For diaspora groups that have close links with their hometowns through relatives or friends who might be working with the LGUs, it is easier to identify and implement small infrastructure projects that would otherwise not be done by the local government for lack of funds. A migrant leader in Italy from Mabini, Batangas who is currently involved in forming Home Town Associations in Rome as well as in Canada and Spain, cited that his connection with the local government in Mabini has allowed him and some other migrants from the town to repair the roads in their barangays using their contributions which were then complemented by LGU funds. Otherwise, the LGU would not have had the funds to carry out such road construction. He himself donated the funds while on a visit to his hometown and monitored the construction during his stay. (Interview with D. Abe, Rome)

Diaspora organizations however with no such close links to LGUs would find it more difficult to contribute and monitor their donations. They would need institutions like the Commission on Filipinos Overseas or even CSOs to facilitate or bridge the connections. The active campaigns and promotions of a few provincial and town officials to generate and mobilize diaspora engagement in their home provinces and hometowns could help to develop and strengthen those links.

One government official working with LGUs explained that provincial governors and city and town mayors know the importance that remittances play and its potential in the development of their areas. Among the factors that hinder full-blown engagement and involvement with the diaspora groups are the multiple concerns of LGUs. Migration and remittances are only two of many issues competing for their attention. Consider that LGU officials have to stand for election every three years. This does not allow enough time to invest in building dialogue and developing long-term relationships with diaspora groups. (Interview with D. Santos)

F. Ayala Foundation-USA

The mission of AF-USA is to create an effective and efficient mechanism for meaningful involvement in efforts to respond to areas of greatest need in the Philippines. It is able to

fulfill its mission by: educating Filipinos in the US on the role of philanthropy in addressing the development needs of the Philippines; mobilizing resources for social development projects in the Philippines; and creating opportunities for exchange among Filipinos across the seas.

Ayala Foundation provides US-based Filipinos a channel for strategic philanthropy. It offers to potential donors a menu of over a hundred projects and groups in the fields of health, education, livelihood, infrastructure, the environment, abused women and children, and others. Ayala Foundation also offers information and mechanisms on how donations can be sent, tax deductibility benefits, due diligence on recipient organizations and updates on the progress of supported projects. The latter function is similar to what the Commission on Filipinos Overseas is able to provide its donors. From 2000 to 2006, AF-USA dispersed over US\$1.5 million to various Filipino organizations.

Among its most successful projects is a multi-million dollar fundraising campaign for Gearing up Internet Literacy and Access to Students (GILAS), a public-private initiative aimed at establishing computer internet labs in public high schools across the Philippines to assist high school students become computer literate. Since the project's inception in 2005 until 2006, almost \$1 million has been raised to benefit over a thousand public high schools reaching almost half a million high school students. Local government officials have expressed interest and willingness to match private sector donations and thus expand the number of high schools to be served. It has been suggested that the government formalize such a policy, both for local governments and the national government. (www.af-usa.org/)

V. Policy Directions and Programs to Integrate Social Accountability Mechanisms and Tools in Diaspora Giving

The International Organization for Migration (Ionescu) identifies several obstacles that constrain the ability of diaspora groups from contributing their collective remittances. Among these are: the lack of appropriate banking infrastructures, bureaucratic burdens, perceived corruption, weak partnerships, lack of support networks, and unclear interlocutors at the government level. All these need to be addressed if diasporas are to be more actively encouraged to increase and expand their financial and non-material contributions for community development.

The United States Agency for International Development (USAID) points to many of its positive experiences so far in partnering with diaspora organizations, particularly Home Town Associations, on both social projects and economic production projects. USAID notes that most Home Town Associations, especially in Latin America, actually support social projects and in reality act as small-scale development agents. (Chemonics International, 2006) It also argues that similar to Ionescu's point, a major challenge facing the various stakeholders—governments, Home Town Associations, community groups and international donors—is the need to build trust among the various actors.

Building trust is a common theme raised by many CSOs among the various stakeholders. It has been proved by the experiences of some diaspora organizations and LGUs that when trust has been built, positive outcomes (as shown in the towns of Pozorrubio in Pangasinan and in the province of Bohol) can be expected.

USAID stresses that building trust requires much time and energy. It is fostered through constant and regular communication, transparent decision-making and consensus building. Furthermore, USAID argues that when diaspora groups provide not just collective donations but capital investments, much more time is probably needed to have a more thorough decision-making and negotiation process. Trust however can be built and once established, can be strengthened with more positive experiences arising from a common project experience.

At the same time, Ildefonso Bagasao (2006), a migrants advocate, points out that migrant philanthropy in the Philippines needs to set up an efficient facilitation, monitoring, evaluation and feedback process where “a transparent and effective diaspora giving procedure ensures that donations are used for the original purpose intended, and serves as an incentive for donors to make repeat donations. This (situation) gives donors satisfaction and ownership of the project, probably better than incentives and benefits”.

This likewise strengthens the environment of trust among stakeholders, both for those sending the remittances and those on the receiving end. Mechanisms ensure that should anything go wrong at different stages of the program or project, the remittance senders would be informed of the situation and steps could be taken to remedy or do damage control if needed, especially if the diaspora groups have no representatives on the ground.

VI. Conclusions and Recommendations

Overseas Filipinos have had a long record of giving to their hometowns or other localities in the Philippines through remittances, in-cash or in-kind donations, and contributions. For many Filipinos, the cultural links continue despite the distance or the length of years spent in host countries.

This diaspora philanthropy has basically been channeled through church groups, civil society groups and local government units for immediate needs involved with emergencies arising from disasters or for basic needs of communities particularly health and education and to some extent, small infrastructure. Beneficiary groups have involved women and children. Despite the expression of lack of trust of diaspora organizations in dealing with both national and local governments, there exist many examples of collaboration.

At the national level, the example of the Classroom Galing sa Mamamayang Pilipino Abroad or Donate a Classroom Program jointly undertaken by the Department of Labor and Employment, Department of Education, Department of Foreign Affairs, and the Filipino-Chinese Chambers of Commerce, appears to have mobilized donations from various overseas Filipino organizations in different countries and regions, to fill some of the shortage in classrooms. The Commission on Filipinos Overseas—the primary government institution set up to promote diaspora philanthropy for both emergency and development needs of local areas in the Philippines—has to some extent established mechanisms to encourage contributions from abroad that are fairly transparent and clear-cut. It has been noted however that the bureaucratic procedures involved in cases of in-kind donations from abroad present problems and challenges even for the Commission .

Nevertheless, the Commission, with its explicit function of serving as monitor of project implementation including providing on-the-spot visits and regular reporting and sending of feedback to donors, is able to demonstrate some form of transparency to elicit trust. To

help ensure the proper implementation of projects, the Commission states in its manual of operation that when needed, it seeks the assistance of experts from either CSOs or local government units in implementing of projects. This is important information for diaspora organizations that are for the most part unable to assist technically with the projects. The Commission on Filipinos Overseas plays a key bridging role to facilitate this and other forms of assistance that might be required by the project. Unfortunately, this role of the Commission is not as well-known among diaspora groups. A more active and systematic partnering with Philippine embassies and consulates where there are key concentrations of overseas Filipinos could give that exposure to the Commission and its systems for mobilizing diaspora giving.

Only a small number of local governments have taken the initiative to move toward giving incentives for their diaspora groups to donate to their hometowns or home provinces. Previously mentioned were some 15 governors and city mayors who signed a memorandum of agreement with a network of CSOs to provide matching funds for diaspora donations, following a similar scheme in El Salvador. This could certainly serve as an incentive for overseas donors to increase their giving as their support would be leveraged with public sector funds. However, the national government does not appear to either contribute to or provide incentives to this arrangement. If the national government or possibly even other donors, both private and international agencies, were to leverage these funds, then the amounts that would go to local economic and community development could be substantial. A major constraint in all this is the lack of public resources, especially for many local governments, This serves as the primary disincentive for being able to match the diaspora contribution.

The lack of trust given by diaspora groups to government is a primary reason that the Ayala Foundation-USA serves as a major conduit for diaspora contributions to the Philippines from North America. Its GILAS program to donate computers for all public high schools in the Philippines however does seek to involve the public sector by requesting local governments to give counterpart or matching funds to the monies raised by diaspora groups. It is the Ayala Foundation-USA however that monitors the donation of the computers to the schools.

According to Opiniano, forging partnerships with groups in the Philippines can bolster the impact of migrant philanthropy. With the development work experience of civil society and non-profit organizations back home, diaspora groups—many with no real capacities to engage in development work—can collaborate with these organizations to plan, implement, replicate and sustain their programs and activities on a more strategic level. Private sector and international development donors can also be partners providing the leverage for donations from the diaspora. It is the collaboration among different stakeholders that can give diaspora donors more confidence that their contributions will be used properly.

Specific recommendations are as follows:

1. Government agencies, which include the Embassies, Consulates and attached agencies of the Department of Labor and Employment, OWWA would greatly benefit from actively seeking to dialogue with the Filipino diaspora organizations, particularly a systematic gathering of information on these organizations that would allow the development of a comprehensive data base. From this systematic

data collection, government could generate information that could be used for mapping the diaspora groups and their giving practices. The PHILNEED of the Commission on Filipinos Overseas which lists the needs of municipalities and provinces in the Philippines is one part of the data capture

2. To promote active links between diaspora organizations and LGUs and expand the outreach, embassies and consulates can disseminate stories of successful and working relationships between LGUs and Home Town Associations and other diaspora organizations and the outcomes resulting from the collaboration. There is limited information available on what has worked and what is working vis-à-vis Home Town Associations partnering with LGUs through the government websites, including but not only the Commission on Filipinos Overseas. The collaborative CGMA project for example should be well-disseminated to diaspora groups through embassies. This could encourage various potential stakeholders to explore more actively to initiate and explore collaboration on local government development programs and projects. This is already being done extensively at a very informal level. Even these informal arrangements can be documented and made known so that more partnerships can be built.
3. Expanding the number of LGUs that establish long-term linkages with diaspora organizations is critical if diaspora contributions are to become more strategic. Continuing dialogue by LGUs with diaspora groups especially those with a development perspective can help to ensure that projects to be supported are part of the strategic development plans of local government and that these address the issue of sustainability. In this regard, a network like Convergence serves as a pilot model of collaboration. With increased on-the-ground collaboration on projects that succeed, more stories could be shared to diaspora organizations worldwide. The example of the Bohol LGUs provides a working and effective model of how local government from provincial to town levels are able to initiate an array of diaspora-supported projects. These projects are designed to engage their diaspora groups in strengthening cultural, business, and investment links.
4. Policies and programs to increase incentives for leveraging diaspora contributions need to be advocated. Some of these policies could include setting up a national government fund that could provide for matching local government funding and diaspora giving for development projects. The fund could learn from experiences in El Salvador and Mexico. The exact mechanisms for such a fund would need to be closely studied so that these would not be used for furthering the political aims of government officials. Oversight for such programs would need to include migrant/diaspora organizations with extensive experience in supporting development-types of activities, which could also serve to hold this fund accountable.
5. Trying to obtain information from Home Town Associations and other diaspora organizations will entail the use of more varied types of data gathering methods other than the usual mailed survey questionnaires (by post or email). Methods such as telephone interviews, even visits, information requests during key Filipino events and celebrations through information booths should be explored. The Department of Labor and Employment has estimated that there are over 12,000 Filipino organizations globally and it will take a massive effort to document these

organizations systematically, taking in mind that many are also quite informal. It would be strategic to develop this data base as a way to map the geographical and issue concerns of these diaspora groups in the Philippines as well as the resources they can contribute.

6. For Home Town Associations and other diaspora groups which for the most part are informal, many reports have suggested building their capacity to function not only as basic social clubs. It might be possible for many groups to evolve their development capabilities to allow them to give more strategically for local community development. Presently, only Ayala Foundation-USA appears to be focusing on this capacity building of Home Town Associations in the USA. Other countries with large numbers of Filipino diaspora groups and Home Town Associations could benefit from such initiatives as well.
7. For many Home Town Associations composed of Filipino migrant workers who are temporary residents in their host countries, migrant workers can benefit from building their development capacities and improving their opportunities to increase their limited incomes. Programs like financial literacy training can assist overseas Filipinos to save more of their incomes to invest in their hometowns or give more for community development activities. Also, by enhancing their capabilities through leadership and social entrepreneurship programs, migrants could also be assisted to increase their livelihood prospects. This in turn could lead to expanding their diaspora giving to the Philippines.

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INTERVIEWS/RESPONDENTS TO SURVEYS

1. Leila Rispens-Noel – Association of Bansaleños Worldwide
2. Amado Abe – Mabini, Batangas
3. Ildefonso Santos – League of Governors and Mayors

ANNEX 1

Donations Coursed Through Commission on Filipinos Overseas

How does the Commission on Filipinos Overseas evaluate/follow-up on donations? What is the monitoring mechanism?

A feedback system is available within the LINKAPIL Program to inform the donor about the status of the projects/activities undertaken. Regular status reports is required from the beneficiaries, which in turn, will be validated by Commission on Filipinos Overseas through on-the-spot monitoring and evaluation. Commission on Filipinos Overseas prepares and transmits to the donor progress reports indicating, among others, information on the manner and extent of resource utilization by the beneficiaries

Are donations tax-free?

Importations to the country are subject to duties and taxes. Depending on the items being donated and the qualification of the beneficiary/donee, certain donated items may be entered duty-free subject to clearance of government agencies concerned. It is important to note also that while items may be exempted from import duties, these are usually still subject to Value Added Tax (VAT).

The following donations are tax/duty-free entry subject to existing rules and regulations:

Items For Donation	Exemption
1. Books including magazines, newspapers, and other periodicals that are educational in nature	Duty and tax free
2. Computers and other similar information technology products	Duty free
3. Drugs, medicines and other pharmaceuticals having similar preparations registered with the Bureau of Food and Drugs (BFAD)	Duty free
4. Essential machinery and equipment including spare parts and accessories	Duty free
5. Food and non-food products/relief items for free distribution to the needy	Duty free
6. Heavy equipment or machineries used for construction, improvement, repair and maintenance of roads, bridges, and other infrastructure projects, including garbage trucks and other similar equipment	Duty and tax free
7. Medical equipment and machinery, including spare parts and accessories	Duty free

What are the requirements for duty free entry of foreign donations?

The following documents are required in requesting for duty-free certification for incoming donations from overseas:

From the donor

Deed of Donation duly authenticated by the Philippine Embassy or Consulate;
Itemized list of Donation (also referred to as packing list or inventory of donated items);
Proforma invoice or commercial invoice (not required for used items); and
Shipping documents (bill of lading or airway bill)

The name listed as donee/consignee or recipient in the Deed of donation must be the same as that appearing in the shipping documents.

From the donee/consignee or recipient

Letter of request for duty-free certification addressed either to the Department of Finance (DOF) or the National Economic and Development Authority (NEDA);

Duly notarized deed of acceptance of the donation;

Distribution plan for the donation;

Copy of SEC registration and Articles of Incorporation and/or By-laws, in case of non-stock, non-profit charitable or religious institutions requesting exemption from payment of duties for the first time;

DSWD License to Operate and Certificate of Accreditation, if non-government organization;

Current and valid DOH License to Operate, if hospital;

An authenticated document signed both by the donor and the donee indicating who will assume the responsibility of the payment of VAT that may be imposed on the donation.

For essential machinery and equipment

Product catalogue and/or technical description of products to be donated

Certificate of registration for cooperatives or NACIDA-registered firms

Endorsement of the Board of Investments

For books, magazines, newspapers and other periodicals

Packing list indicating titles of books and publications

Authority of representative (in lieu of donee)

Duly notarized affidavit and deed of undertaking indicating that the donated articles shall be used actually, directly and exclusively for educational purposes and shall not be resold or transferred for material consideration; and

Endorsement of Mabuhay Lane, Department of Finance

For computer equipment and other educational, scientific, and cultural materials

Deed of undertaking indicating that the donated articles shall be used actually, directly and exclusively for educational purposes and shall not be resold or transferred for material consideration;

CHED or DepEd accreditation, if the recipient is an educational institution;

UNESCO endorsement, if the recipient is a non-government organization; and

Copy of BIR certificate, and international agreement or executive order allowing tax-exempt privileges, if applicable.

For medicines

Distribution plan for medicines;

Letter to the DOH-Bureau of International Health Cooperation (DOH-BIHC) requesting endorsement to BFAD for the issuance of clearance;

The letter request should be submitted with the complete list of drugs and quantity to be donated, with the following information - Generic name/brand name, Formulation (with English translation), Dosage forms/strengths, Batch/lot number and expiration date (shelf life of at least 6 months upon arrival in the Philippines), Name and address of manufacturer;

BFAD Certificate of Product Registration (CPR)

For medical equipment capable of emitting radiation, such as X-ray and ultrasound equipment:

Letter to the DOH-BIHC requesting endorsement to the Bureau of Health Devices and Technology (BHDT) for the issuance of clearance. This document must be

submitted with the following: Complete brochure/literature about the equipment model; For x-ray equipment, a copy of the license to operate an x-ray facility issued by the BHDT; Name(s) and credentials of the person(s) who will operate the equipment.

An import fee will be paid to the BHDT upon approval of clearance.

For food and other items

Duly notarized distribution plan, confirmed by the local Social Welfare and Development Office and endorsed by the DSWD Field Office which will provide technical assistance on the utilization of specific shipment;

Duly notarized distribution report on previous shipment (if any);

Prior agreed / approved arrangements with DSWD Regional Office concerned on items other than food, medicines, and relief items;

Letter to the DOH-BIHC requesting endorsement to BFAD for the issuance of clearance. The request is submitted with the complete list of food items and quantity to be donated, with expiration date of at least 6 months upon arrival in the Philippines; and

BFAD Certificate of Product Registration (CPR)

What are the procedures for the availment of duty exemptions on foreign donations?

The donee/consignee or recipient files a letter of request for duty free importation either with the National Economic and Development Authority (NEDA) or the Department of Finance (DOF). The NEDA processes, evaluates, and endorses requests for duty free importation for machinery and equipment. The DOF processes, evaluates, and endorses requests for duty free importation of relief goods (medicine, food, among others) intended for DSWD accredited and licensed non-government organizations, as well as books, publications, and education-related materials/equipment.

The letter to NEDA must be addressed to:

The Director Trade, Industry, and Utility Staff National Economic and Development Authority St. Josemaria Escriva Drive Ortigas Center, Pasig City

The letter to DOF must be addressed to:

The Secretary Department of Finance Attention: Revenue Operations Group DOF Building, Roxas Blvd., Manila

For books and publications, the letter to DOF must be addressed to the Secretary of Finance (Attention: Mabuhay Lane)

Who choose the beneficiaries?

Overseas donors/sponsors may identify or select the project and specific locality in the Philippines where assistance would be provided. The Commission on Filipinos Overseas will serve as the principal conduit between overseas donors and the local beneficiaries of the project. It may also assist the donors by identifying or recommending projects that may be undertaken in various localities.

LINKAPIL Coordination Procedures / Donation Process

Overseas Donors/Sponsors

Provide financial, material or technical support directly to the beneficiaries or through the CFOCommission on Filipinos Overseas

Identify or select the project(s) and specific locality in the Philippines where assistance would

be provided

Identify local counterparts in the selected locality who will be responsible for overseeing

the implementation of the project conduct, in coordination with CFOCommission on Filipinos Overseas, inspection of project sites

Commission on Filipinos Overseas

Serve as the principal conduit between overseas donors and the local beneficiaries of the project

Identify or recommend to overseas donors projects which could be undertaken in various

localities in the Philippines

Coordinate with government agencies that could provide project support services

Identify possible local counterparts who have the capability to deliver obligations in the implementation of the project

Arrange the transfer of resources from sponsoring Filipino groups overseas to the local counterpart or beneficiaries

Assist in the implementation, monitoring and evaluation of projects

Submit, on a regular basis, feedback on the status or progress of projects to the sponsoring Filipino or other donors overseas

Philippine Embassies/Consulates

Engage the overseas Filipino community as a direct partner in mobilizing human and financial resources to promote development projects / activities in the Philippines

Assist overseas donors in identifying projects in the Philippines

Promote unity among Filipino and foreign organizations and individuals to support and achieve development objectives

Government Agencies/Local Government Units

Assist members of the community in identifying projects, and formulating feasibility studies and proposals

Provide technical assistance or training as may be required in project implementation, to recipients of development assistance

Coordinate and facilitate the transfer and release of goods and services to beneficiaries

Local Counterparts/Non-Government Organizations

Receive resources/assistance directly from overseas donors or through CFOCommission on Filipinos Overseas

Assist in identifying development projects in their community, as well as potential beneficiaries

Coordinate with relevant government and other agencies for the conduct of training programme/programs and other technical requirements for projects supported under the

LINKAPIL programme/program

Conduct regular supervision, monitoring, and evaluation during the project duration

Prepare and submit to CFOCommission on Filipinos Overseas periodic progress reports on projects implementation and evaluation

Beneficiaries

Identify projects that would be feasible to develop in their locality/community

Receive financial and other forms of assistance directly from sponsoring association overseas, through the CFC Commission on Filipinos Overseas, or through the local counterparts identified by the overseas donor

Provide the CFC Commission on Filipinos Overseas, directly or through the local counterparts, with regular updates on the status of the project

Less developed communities, underprivileged and marginalized sectors, disabled and elderly, non-government organizations, foundations, educational institutions, hospitals are among the possible beneficiaries or partners under the LINKAPIL Programme Program.

ANNEX 2

PROCESS FLOW OF “CLASSROOM GALING SA MAMAMAYANG PILIPINO ABROAD” DONATIONS

1 DONATIONS – are received through the following:

- 1.1 **Bank to bank remittance** to the CGMA Trust Fund at the DBP. The remittance is credited to the CGMA Trust Fund Account with the DBP within *three (3) days*. (CGMA Trust Fund A/C No. 36002016)
- 1.2 **Personal checks drawn on foreign account issued by the Donor;**
 - The check is deposited to the CGMA Trust Fund Account with the DBP for clearing
 - Clearing period normally takes from *one & one-half (1 1/2) months to two (2) months* before the fund is credited to the CGMA Trust Fund Account by DBP.
- 1.3 **Bank draft issued by foreign/overseas Bank:**
 - The bank draft is deposited to the CGMA Trust Fund Account with DBP for clearing
 - Clearing period normally takes *one (1) month* before fund is credited to the CGMA Trust Fund.
- 1.4 **Donation for one (1) classroom has to be paired with other donations.** Pairing process involves looking for a CGMA donor who is willing to pair his/her donation with that of other donors. Unless a partner donor is identified, other processes cannot be initiated which may cause the delay in the construction.

2. DEED OF DONATION

- 2.1 Donor sends Deed of Donation to identify the school building site, unless received validation process cannot be initiated.

3. VALIDATION OF SCHOOL SITE BY DOLE REGIONAL OFFICE

- 3.1 **Upon receipt of the advise from the DBP that donors’ donation had been credited to the CGMA account and the Deed of Donation from Donor through the POLO or Embassy/Consulate,** CGMA PMO will immediately issue the Validation Form to the Regional Office concern to start validation process of the site selected by Donor. Validation of school site is necessary to ensure that:
 - The Land Title where the School site will be constructed is in order
 - There is existing School in the selected site
 - Availability of local FFCCCII contractor to build the classroom building

- Condition and location of the School site whether it is accessible by normal transport
 - There is no problem with the peace and order situation in the area
- 3.2 Under existing MOA with the Federation of Filipino-Chinese Chamber of Commerce and Industry, Inc. (FFCCCII), only local FFCCCII contractor are allowed to construct the school building
- 3.3 Validation process normally takes two (2) weeks when everything is in order. It may take longer when meeting other requirements is delayed. CGMA PMO may recommend to the donor the transfer of the school site when any of the following condition exists:
1. No Land Title where the School site will be built
 2. Land Title is not in the name of the existing School
 3. School site not accessible by normal transport
 4. No available local FFCCCII contractor to build the school building
 5. Local FFCCCII contractor not willing to build classroom due to the peace and order situation in the area.

4. **ISSUANCE OF “NOTICE TO PROCEED” (NTP) TO FFCCCII**

PROCEDURES:

- 4.1 Once requirements 1,2 and 3 are met, CGMA - PMO prepare the Notice to Proceed document for signature of Secretary Patricia A. Sto. Tomas or Undersecretary Manuel G. Imson in her absence. Once signed, this is forwarded to the FFCCCII for the signature of Mr. Robin Sy.
 - 4.2 FFCCCII President, Mr. Robin Sy countersigned the NTP for presentation to DBP for the release of CGMA funds to Local FFCCCII contractor. Unlike DOLE, no one in the FFCCCII can sign in behalf of Mr. Robin Sy, in his absence. This is standard operating procedure of the Federation for security of the funds. When Mr. Robin Sy is not available the NTP document will stay pending in the FFCCCII until he has signed it.
 - 4.3 Once FFCCCII President countersigns the NTP, this will be presented to the DBP for withdrawal.
 - 4.4 DBP will release funds to FFCCCII authorized representative.
 - 4.5 FFCCCII will release fund to its Local contractor in the designated site.
5. Local FFCCCII Contractor will start the construction of the “Standard two (2)-classroom Building” upon receipt of Funds from FFCCCII Head Office in Manila.
6. **Construction Period** – is from 30 to 45 days from start of construction
- 6.1 **Possible concerns that may cause delay:**
 - Inclement weather
 - Difficulties in transport of construction materials

- Peace and order condition

6.7 DOLE Regional Office coordinate/monitor construction

7. **COMPLETION DATE** – contractor notifies DOLE Regional Office of Completion date – Regional DOLE Office notifies CGMA – PMO who will notify donor or donor’s representative.

8. **INAUGURATION AND TURN-OVER CEREMONY** - DOLE Regional Office prepares schedule of inauguration and turn-over ceremony of classroom building in coordination with school officials and submit same to CGMA – PMO.

CGMA – PMO will inform donor or its representative in Manila of the inauguration date and get confirmation of their attendance / or date of availability which will be coordinated back to our Regional Office..

9. **Inauguration and turnover ceremony of classroom to the School Principal**

10. **MAINTENANCE OF THE SCHOOL BUILDING** – is the responsibility of the School officials once turned over to the School Principal.